STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CANNABIS REGULATORY AGENCY¹

In the Matter of

Amazing Budz, LLC AU-ER No. 000350 License No. AU-R-000225 CMP Nos. 21-000757 & 21-000810

ENF Nos. 21-00277 & 21-00278

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 14, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer license (no. AU-R-000225) of Amazing Budz, LLC (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.212(1), R 420.502(3), R 420.502(4), R 420.505(1), and R 420.506(3)².

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.212(1), R 420.502(3), R 420.502(4), R 420.505(1), and R 420.506(3).

¹ The Marijuana Regulatory Agency was renamed the Cannabis Regulatory Agency under Executive Reorganization Order No. 2022-1, effective April 13, 2022. MCL 333.27002(1)(a).

² The administrative rules cited throughout this consent order and stipulation refer to the CRA's administrative rules filed with the Secretary of State on June 22, 2020, which were in effect at all times relevant to the conduct at issue in the formal complaint.

Accordingly, for these violations, IT IS ORDERED:

- 1. Respondent must pay a fine in the amount of four thousand dollars (\$4,000.00). This fine shall be paid within 60 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). CRA guidance on how to make compliance payments online is available under "Tips for Licensees" at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with "ENF Nos. 21-00277 & 21-00278" and "License No. AU-R-000225" clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. Box 30205, Lansing, Michigan 48909.
- 2. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
- 3. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to <u>CRA-CSS@michigan.gov</u>.
- 4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- 5. If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.

This order shall be effective 30 days after the date signed by the CRA's executive director or designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on:	10/30/23	By:	Brian Hanna	Digitally signed by: Shan Hanna DN; CN = Brian Hanna email = hannab@michigan goy C = US O = CRA OU = CRA Date: 2023.10.30 15:27:00 -04'00'
· ·		·	Executive Director	Brian Hanna

or Designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

- 1. The facts alleged in the formal complaint are true and constitute a violation of the administrative rules promulgated under the MRTMA.
- 2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 et seq., to require the CRA to prove the charges set forth in the complaint by presentation of evidence and legal authority and to present a defense to the charges.
 - 3. The parties considered the following in reaching this agreement:
 - a) This consent order and stipulation is part of a comprehensive resolution of the CRA's formal complaints against Amazing Budz, LLC's adult-use marijuana retailer and medical marijuana provisioning center licenses under ENF Nos. 21-00140, 21-00277, 21-00278, and 22-00252.
 - b) Respondent states that it has learned from this situation, completed a thorough review of the applicable statutes and administrative rules in light of this matter, and required its appropriate staff to participate in additional training to avoid future recurrences. Respondent submitted certificates showing that two employees passed the Michigan Metrc Industry Test.
 - c) Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
- 4. The CRA's operations director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or designee for review and issuance of the above consent order. The parties reserve the right to proceed to an administrative hearing without prejudice to either party, should the

By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:	AGREED TO BY:
Desmond Mitchell Digitally signed by Desmond Mitchell Date: 2023.10.24 13:26:53 -04'00'	neman)
Desmond Mitchell	Marie McPhail
Operations Director	Authorized Representative
Cannabis Regulatory Agency	On behalf of Respondent
Dated: 10/24/23	Amazing Budz, LLC /0/18/2023
/s/ Adam M. Leyton	July 110
Adam M. Leyton (P80646)	Jacqueline Langwith (P79600)
Risa Hunt-Scully (P58239)	Attorney for Respondent
Assistant Attorneys General	
Attorneys for Cannabis Regulatory Agency	-3 -7
Dated: <u>10/23/2023</u>	Dated: 10/19/93

 $LF: 2023-0374021-A\,/\,Amazing\,\,Budz,\,LLC\,/\,\,Consent\,\,Order\,\,and\,\,Stipulation\,/\,\,2023-07-06$

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MARIJUANA REGULATORY AGENCY

In the Matter of

Amazing Budz, LLC CMP Nos.: 21-000757 & 21-000810

AU-ER No.: 000350

License No.: AU-R-000225

ENF Nos.: 21-00277 & 21-00278

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint against Amazing Budz, LLC ("Respondent") alleging upon information and belief as

follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan

Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, et seq., and Executive

Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the

MRTMA and the Administrative Rule promulgated thereunder, take disciplinary action to

prevent such violations, and impose fines and other sanctions against applicants and

licensees that violate the MRTMA or Administrative Rules.

2. Section 8(1)(d) of the MRTMA provides that the Administrative Rules must ensure

the health, safety, and security of the public and integrity of the marihuana establishment

operations.

3. Respondent's conduct as described below is a risk to public health and safety

and/or the integrity of marihuana establishment operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult

use marihuana retailer establishment in the state of Michigan.

5. Respondent operated at 1301 S. Main St., Adrian, Michigan 49221, at all times

relevant to this complaint.

6. Following an investigation, the MRA determined that Respondent violated the

MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

ENF 21-00277

a. On May 21, 2021, statewide monitoring system (METRC) package tag

number 1A4050300006EF6000009006 was placed on administrative

hold.

b. Between May 22, 2021 and May 24, 2021, Respondent made six sales

after the package was placed on administrative hold in violation of Mich

Admin Code, R 420.502(3), which states a marihuana business shall not

sell or transfer marihuana product that has been placed on

administrative hold, recalled, or ordered to be destroyed.

c. Respondent sold marijuana product to a customer after the package was

placed on administrative hold, which is also a violation of Mich Admin

Code, R 420.505(1), which states a marihuana sales location may sell

or transfer marihuana or a marihuana product to a marihuana customer

if all of the following are met: (a) The marihuana product has not been

placed on administrative hold, recalled, or ordered to be destroyed.

d. Additionally, because sales were made after the package was placed on

administrative hold, Respondent did not verify in METRC that the

package was placed on administrative hold prior to any sale or transfer,

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Formal Complaint

in violation of Mich Admin Code, R 420.502(4), which states a marihuana business must verify in the statewide monitoring system, prior to any sale or transfer, that the marijuana product has been placed on administrative hold, recalled, or ordered to be destroyed.

ENF 21-00278

- a. On May 22, 2021, Respondent sold 86 grams (approximately 3.03 ounces) of marijuana flower to a marijuana customer in a single transaction.
- b. During a semi-annual inspection on June 1, 2021, the MRA discovered the transaction in the statewide monitoring system (METRC) under sales receipt #0020253102.
- c. Respondent exceeded its single sale transaction limit in violation of Mich Admin Code, R 420.506(3), which states a marihuana retailer, under the Michigan regulation and taxation of marihuana act, is prohibited from making a sale or transferring marihuana to an adult 21 years of age or older in a single transaction that exceeds 2.5 ounces, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate.
- d. On June 17, 2021, Respondent emailed the MRA regarding the reason for the oversale.
- e. According to Respondent's POS Vendor, Respondent documented the weight for Gello Gelato 7G Prepackaged (METRC package tag # 1A4050300007FBD000007468) incorrectly in METRC as eaches (ea) instead of grams. As a result, the POS system failed to detect the oversale.
- f. Respondent documenting the weight for Gello Gelato 7G Prepackaged incorrectly in METRC as eaches (ea) instead of grams prevented the product from being identified and tracked consistently in METRC in

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violation of Mich Admin code, R 420.212(1), which states, in part, all

marihuana products must be identified and tracked consistently in the

statewide monitoring system under these rules.

THEREFORE, based on the above, the MRA gives notice of its intent to impose fines

and/or other sanctions against Respondent's license, which may include the suspension,

revocation, restriction, and/or refusal to renew Respondent's license.

Under MCL 333.27957 (1)(c) and Mich Admin Code, R 420.704(2), any party

aggrieved by an action of the MRA suspending, revoking, restricting, or refusing to renew

a license, or imposing a fine, shall be given a hearing upon request. A request for a

hearing must be submitted to the MRA in writing within 21 days after service of this

complaint. Notice served by certified mail is considered complete on the business day

following the date of the mailing.

Respondent also has the right to request a compliance conference under Mich Admin

Code, R 420.704(1). A compliance conference is an informal meeting at which

Respondent has the opportunity to discuss the allegations in this complaint and

demonstrate compliance under the MRTMA and/or the Emergency Rules. A compliance

conference request must be submitted to the MRA in writing.

Hearing and compliance conference requests must be submitted in writing by one of

the following methods:

By Mail: Department of Licensing & Regulatory Affairs

Marijuana Regulatory Agency

P.O. Box 30205

Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs

Marijuana Regulatory Agency

2407 North Grand River

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By Email: MRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

Questions about this complaint should be directed to the Marijuana Regulatory Agency's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: _ ^{2/14/22}	By:	Julie Kluytman Digitally signed by: Julie Kluytman DN: CN = Julie Kluytman email = Nuytmanj@michigan.gov C = US O = Marijuana Regulatory Agency Date: 2022.02.14 20:08:13 -05'00'	
	, –	Julie Kluytman, Director	
	Enforcement Division Marijuana Regulatory Agency		